

Cam Cam Copenhagen A/S
Skyttegade 7, 3rd floor
2200 Copenhagen N

CVR no. 36 39 21 34

Annual report for
1 January 2019 – 31 December 2019
(Company's 5th financial year)

This annual report was presented and
approved at the company's ordinary general
meeting
on the / 2020

Director

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Managerial endorsement

On this date, the management presented the annual report for Cam Cam Copenhagen A/S for the financial year from 1 January 2019 to 31 December 2019

The annual report was presented in accordance with the Danish Financial Statements Act.

We consider the accounting practice chosen to be appropriate, and we consider the accounting estimates made to be justified. Furthermore, we find the overall presentation of the annual financial statement to be fair and accurate. Therefore, in our understanding, the annual financial statement fairly and accurately portrays the company's assets and liabilities, financial position, and performance.

The annual report is thereby submitted for approval at the general meeting.

Copenhagen N, 3 July 2020

Management:

Nicolai Lindhardt

Board of Directors:

Robert Warren Paulsen
chairman

Dennis Meldhedegaard-Nielsen

Sara Giese Camre

Independent auditor's endorsement

To the shareholders of Cam Cam Copenhagen A/S

Conclusion

We have audited the financial statements of Cam Cam Copenhagen A/S for the financial year 1 January 2019 – 31 December 2019, which includes accounting policies, the profit-and-loss statement, the balance sheet, and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of its operations for the financial year 1 January 2019 – 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs) and auditing requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section of the auditor's report titled "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with the code of ethics of the International Ethics Standards Board for Accountants (IESBA) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal oversight as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern; for disclosing, as applicable, matters related to the going concern; and for using the going concern basis of accounting in preparing the financial statements, unless management either intends to liquidate the company or cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable certainty as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. "Reasonable certainty" is a high level of certainty, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal oversight.

Independent auditor's endorsement

- Obtain an understanding of internal oversight relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal oversight.
- Evaluate the appropriateness of accounting policies used, and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's endorsement. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view of them.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal oversight that we identify during our audit.

Copenhagen, 3 July 2020

Aros statsautoriserede revisorer I/S
Company registration no. 29690065

Villy Rabe Bech Moustén
State-authorized public accountant
MNE34279

Thomas Lehmann Jensen
State-authorized public accountant
MNE34128

Company information

Company:	Cam Cam Copenhagen A/S Skyttegade 7, 3rd floor 2200 Copenhagen N CVR no. 36 39 21 34 Financial year: 01/01 – 31/12
Board of Directors:	Robert Warren Paulsen Dennis Meldhedegaard-Nielsen Sara Giese Camre
Management:	Nicolai Lindhardt
Auditor:	Aros statsautoriserede revisorer I/S Værkmestergade 3, 4th floor 8000 Aarhus C

Accounting practice used

GENERAL

The annual report for Cam Cam Copenhagen A/S is presented according to the provisions of the Danish Financial Statements Act for businesses in accounting category B, with the election of certain class C rules.

The annual report is presented according to the same accounting practice as the previous year.

Recognition and measurement in general

In the profit-and-loss account, income is recognised as it is earned; this includes recognition of value adjustments of financial assets and obligations. Similarly, all costs, including amortisation and depreciation, are recognised in the profit-and-loss account.

Assets are recognised on the balance sheet when it is likely that the company will enjoy economic benefits in the future, such that the value of an asset can be measured reliably.

Obligations are recognised on the balance sheet when it is likely that the company will be deprived of economic benefits in the future, such that the value of an obligation can be measured reliably.

On initial recognition, assets and obligations are measured at cost. Subsequently, assets and obligations are measured as described for each individual line item below.

Predictable losses and risks that will occur prior to the presentation of the annual report, and which confirm or disconfirm conditions in existence on the balance sheet date, are considered in recognition and measurement.

Conversion of foreign currencies

Transactions in foreign currencies are converted using the exchange rates in effect on the transaction dates. Exchange rate differences between the date of a transaction and the date of payment are recognised in the profit-and-loss account as a financial item.

Receivables, debts, and other monetary items in foreign currencies not converted on the balance sheet date are measured by the exchange rate on the balance sheet date. The difference between the exchange rate as of the balance sheet date and the exchange rate as of the date on which the receivable or debt was incurred are recognised in the profit-and-loss account under financial income and expenses.

PROFIT-AND-LOSS ACCOUNT

Gross profit

As provided in § 32 of the Danish Financial Statements Act, the uppermost items of the profit-and-loss account may be aggregated under a "Gross profit" item.

Gross profit includes net turnover, changes in stock, and other operating income less external costs.

Net turnover

Net turnover is recognised in the profit-and-loss account provided that delivery and transfer of risk for purchases have occurred before the end of the financial year, and provided that the income can be reliably calculated and is expected to be received.

Net turnover is recognised exclusive of VAT and fees, and with deductions for discounts at the time of sale.

Accounting practice used

Salaries and personnel expenses

Personnel expenses include wages and salaries, including holiday pay and pensions, as well as other expenses for company employees' social security, etc. Reimbursement received from public authorities is deducted from personnel expenses.

Other external costs

Other external costs include costs associated with salaries, distribution, sales, advertising, administration, premises, losses on bad debts, etc.

Financial items

Financial income and expenses include income and expenses from interest, financial costs associated with leasing, realised and unrealised gains and losses from securities, debts and transactions in foreign currencies, amortisation of financial assets and obligations, and additional interest and interest compensation upon payment of taxes. Financial income and expenses are recognised with the amounts relevant to the financial year.

Tax on annual profit or loss

The tax for the year, consisting of the current year's tax and any deferred tax, is recognised in the profit-and-loss account by that portion that can be traced to the year's profit or loss, and directly on equity by that portion that can be traced to entries directly on equity.

The company is subject to Danish regulations on mandatory joint taxation of the mother company and its Danish daughter companies.

The current Danish corporation tax is distributed through the settlement of joint tax contributions between the jointly taxed businesses in relation to their taxable income. In this regard, businesses with tax losses receive joint tax contributions from businesses capable of using these losses (full distribution).

BALANCE SHEET

Intangible fixed assets

Goodwill

Acquired goodwill is measured at cost, less accumulated amortisation and depreciation. Goodwill is amortised linearly over the economic useful life, assessed to be 10 years. The amortisation schedule is based on an assessment of the acquired company's earnings profile and market position relative to the rest of the industry.

Accounting practice used

Development projects, patents, and licences

Development expenses include, but are not limited to, salaries and wages, as well as depreciations, that can be directly or indirectly traced to the company's development activities.

Clearly defined and identifiable development projects for which the technical degree of utilisation, sufficient resources, and a potential future market or business development opportunity can be demonstrated, and where the purpose is to produce, market, or use the project, are recognised as intangible fixed assets provided that the price can be reliably calculated and there is sufficient certainty that the future earnings will be able to cover production, sales, and administrative costs. Other development expenses are recognised in the profit-and-loss account as these expenses are incurred.

Capitalised development expenses are measured at cost minus accumulated amortisation or at the recoverable amount, should it be lower.

After the completion of development work, capitalised development expenses are amortised over the assessed economic useful life. The amortisation period is ordinarily 3 years and does not exceed 20 years.

Patents and licences are measured at cost minus accumulated amortisation. Patents are amortised linearly over the remaining patent period, and licences are amortised over the term of the agreement, but over no more than 10 years.

Profits and losses from the disposal of development projects, patents, and licences are calculated as the difference between the sale price minus sale costs and the carrying amount at the time of the sale. Profits and losses are recognised in the profit-and-loss account under depreciations.

Tangible fixed assets

Patents and licences are measured at cost minus accumulated amortisation.

The amortisation basis is cost minus estimated residual value after the end of the useful life.

The cost includes the purchase price, as well as expenses directly associated with the acquisition up to the time at which the asset is ready to be brought into use. For self-produced assets, the cost includes expenses for materials, components, subcontractors, direct payroll, and indirect production expenses.

Linear amortisation is performed based on the following assessment of the assets' expected useful lives and subsequent residual values:

	Useful life	Residual value
Other facilities, operating materials, and inventory	3-10 years	0-10%

New acquisitions with an expected useful life of less than one year are fully expensed within the acquisition year.

Profits or losses from the disposal of tangible fixed assets are calculated as the difference between the sale price minus sale costs and the carrying amount at the time of the sale. Profits or losses are recognised in the profit-and-loss account under other operating income or other operating expenses.

Accounting practice used

Deposits

Deposits are measured at cost. In the event that the cost exceeds the net realisable value, it is written down to the lesser value.

Inventories

Inventories are measured at cost following the FIFO principle. In the event that the net realisable value is less than the cost, they are written down to the lesser value.

The cost of commercial goods, commodities, and consumables includes the purchase price plus delivery and transportation costs.

The net realisable value of inventories is calculated as the sale price minus finishing expenses and expenses incurred in order to effect sales; marketability, obsolescence, and developments in the expected sale price are taken into account when establishing the value.

Receivables

Receivables are measured at amortised cost, which ordinarily corresponds to the nominal value. They may be written down to the net realisable value in order to offset expected losses.

Accruals

Accruals recognised under assets include expenses incurred in regard to the following financial year.

Equity — dividends

Dividends expected to be paid out within the year are shown as separate items under equity. Proposed dividends are recognised as obligations at the time of adoption at a general meeting.

Provisions

Provisions include provisions for deferred tax.

Taxes due and deferred tax

Current tax obligations and current taxes receivable are recognised on the balance sheet as calculated tax for the year's taxable income, adjusted for tax from previous years' taxable income and for advance payment of taxes.

Deferred tax is the tax on all temporal differences between the carrying values and tax values of assets and obligations, calculated based on the planned use of an asset or the settlement of the obligation, respectively.

Deferred tax assets, including the tax value of deferrable tax losses, are recognised by the value at which they are expected to be used, either by equalisation in taxes on future earnings or by offsetting in deferred tax obligations within the same legal tax entity.

Deferred tax is measured based on the tax regulations and tax rates in effect on the balance sheet date at the time that the deferred tax is expected to be released as current tax.

Debt obligations

Other debt obligations, including debts to contractors, associated businesses, and other debts, are measured at amortised cost, which ordinarily corresponds to the nominal value.

Profit-and-loss account for 1 January – 31 December

	Note	<u>2019</u>	<u>2018</u>
		DKK	DKK
Net turnover		40,314,519	24,173,144
Cost of sales		24,152,938	14,492,175
Contribution margins		16,161,581	9,680,969
Personnel expenses	1	8,616,300	5,610,181
Promotional expenses		4,166,284	1,961,655
Premise expenses		534,459	547,935
Other external costs		1,495,390	787,370
Profit or loss before depreciation and amortisation		1,349,149	773,828
Depreciation/amortisation		689,294	377,212
Profit or loss before financial items		659,855	396,616
Financial income	2	13,317	121,749
Financial expenses	3	541,953	340,560
Profit or loss before taxes		131,219	177,805
Tax on annual profit or loss	4	37,665	30,487
Annual profit or loss		93,554	147,318
Allocation of profit or loss			
Annual profit or loss		93,554	147,318
Transferred from previous years		-78,604	471,158
Available funds		14,950	618,476
Proposed allocation of profit or loss			
Annual allocations to other reserves		419,547	697,083
Free reserves		-1,930,557	0
Transferred to next year		1,525,960	-78,607
Total		14,950	618,476

Balance sheet at 31 December

	Note	<u>2019</u>	<u>2018</u>
		DKK	DKK
Assets			
Research and development expenses		760,336	757,394
Ongoing development projects	5	1,354,286	472,464
Goodwill		<u>577,958</u>	<u>649,458</u>
Total of intangible fixed assets		<u>2,692,580</u>	<u>1,879,316</u>
Other facilities, operating materials, and inventory		<u>856,962</u>	<u>551,754</u>
Total of tangible fixed assets		<u>856,962</u>	<u>551,754</u>
Deposits		<u>483,293</u>	<u>204,750</u>
Total of financial fixed assets		<u>483,293</u>	<u>204,750</u>
Total of fixed assets		<u>4,032,834</u>	<u>2,635,820</u>
Inventories		<u>8,891,511</u>	<u>6,412,777</u>
Total of inventories		<u>8,891,511</u>	<u>6,412,777</u>
Receivables from sales and services rendered		2,497,492	839,750
Receivables from associated businesses		167,682	173,510
Deferred tax assets		0	7,504
Other receivables		0	100,650
Accruals		<u>1,140,852</u>	<u>1,048,801</u>
Total of receivables		<u>3,806,026</u>	<u>2,170,215</u>
Cash and cash equivalents		<u>1,112,008</u>	<u>677,399</u>
Total of cash and cash equivalents		<u>1,112,008</u>	<u>677,399</u>
Total of current assets		<u>13,809,545</u>	<u>9,260,391</u>
Total of assets		<u>17,842,379</u>	<u>11,896,211</u>

Balance sheet at 31 December

	Note	<u>2019</u>	<u>2018</u>
		DKK	DKK
Liabilities			
Operating capital	6	625,001	555,560
Reserve for development projects	6	1,649,405	1,229,858
Retained earnings	6	<u>1,525,960</u>	<u>-78,607</u>
Total of equity		<u>3,800,366</u>	<u>1,706,811</u>
Provision for deferred tax		<u>30,161</u>	<u>0</u>
Total obligations		<u>30,161</u>	<u>0</u>
Credit institutions	7	230,320	193,200
Convertible and dividend-yielding debt securities		1,999,999	1,999,998
Other debt		<u>300,992</u>	<u>0</u>
Total of long-term debt obligations		<u>2,531,311</u>	<u>2,193,198</u>
Short-term portion of long-term debt obligations		56,000	35,000
Credit institutions		135,738	0
Debt to financial institutions		6,636,319	4,643,497
Advance payments received from customers		15,922	750
Vendors of goods and services		3,476,003	2,409,452
Corporation tax		0	51,968
Other debt		<u>1,160,559</u>	<u>855,535</u>
Total of short-term debt obligations		<u>11,480,541</u>	<u>7,996,202</u>
Total of debt obligations		<u>14,011,852</u>	<u>10,189,400</u>
Total of liabilities		<u>17,842,379</u>	<u>11,896,211</u>
Business's most significant activities	8		
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Notes on the annual report

1	Personnel expenses	2019	2018
	Salaries and wages	7,658,123	4,849,154
	Pensions	543,754	348,138
	Other social security expenses	103,625	102,806
	Other personnel expenses	310,798	310,083
	Total of personnel expenses	8,616,300	5,610,181
	Average number of employees employed in current year 19.		
2	Financial income	2019	2018
	Other financial income	13,317	121,749
	Total of financial income	13,317	121,749
3	Financial expenses	2019	2018
	Other financial expenses	541,953	340,560
	Total of financial expenses	541,953	340,560
4	Tax on annual profit or loss	2019	2018
	Current annual tax	0	51,968
	Deferred annual tax	37,665	-21,481
	Total tax on annual profit or loss	37,665	30,487

Notes on the annual report

5	Intangible fixed assets	Research and development expenses	Ongoing development projects	Goodwill
	Initial cost	1,005,801	472,464	715,000
	Annual change	472,464	1,354,286	0
	Final cost	1,478,265	1,826,749	715,000
	Initial depreciation/amortisation	-248,407	0	-65,542
	Corr. for previous years' depreciation/amortisation	0	-472,464	0
	Annual depreciation/amortisation	-469,521	0	-71,500
	Final depreciation/amortisation	-717,929	-472,464	-137,042
	Final carrying amount	760,336	1,354,286	577,958

Note on development expenses

The company has chosen to capitalise development expenses. These projects are expected in part to increase existing turnover, as well as to reduce the company's capacity expenses.

6	Equity	Operating capital	Reserve for development expenses	Share premiums	Retained earnings	Total of equity
	Initial balance	555,560	1,229,858	0	-78,604	1,706,814
	Capital increase, cash	69,441	0	0	0	69,441
	Share premiums	0	0	-1,930,557	0	-1,930,557
	Annual profit or loss	0	419,547	1,930,557	1,604,564	3,954,668
	Final equity	625,001	1,649,405	0	1,525,960	3,800,366

Notes on the annual report

7	Credit institutions	2019	2018
	Business loans	286,320	193,200
	Transferred to short-term debt	-56,000	0
	Total of credit institutions	230,320	193,200

Out of long-term debts, payment of 0 DKK will be due after 5 years

8 Business's most significant activities

The company's main activity is the design, production, and sale of interior and textile products for children and babies.

9 Pledges and collateral

As collateral for accounts payable to financial institutions, collateral of 7.0 million DKK has been pledged in the form of the following assets:

Other facilities, operating materials, and inventory; inventories; receivables from sales, goodwill, and development projects whose carrying amount is equal to 14.939 million DKK.

Reservations of title on the company's vehicles, whose carrying value is equal to 371 thousand DKK as of 31 December 2019, which amount to 355 thousand DKK have been pledged as collateral for debt to credit institutions.

10 Contractual obligations

Lease agreement

The company has entered into a lease agreement for its operating premises with annual rent totalling 954 thousand DKK. The lease agreement is interminable for 2 years beginning 01/01/2020. A termination warning period of 6 months applies thereafter.

Notes on the annual report

11 Contingencies

Joint taxation

The company is jointly taxed with its mother company, Camre-Paulsen Holding ApS. As a daughter company, the company is jointly and severally liable without limitation, together with the other jointly taxed companies, for taxes within the scope of joint taxation.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Nicolai Lindhardt

Som Direktion NEM ID
PID: 9208-2002-2-735466592615
Tidspunkt for underskrift: 09-07-2020 kl.: 13:06:59
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Dennis Meldhedegaard-Nielsen

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Sara Giese Camre

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Robert Warren Paulsen

Som Bestyrelsesformand NEM ID
PID: 9208-2002-2-396464173420
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Underskrevet med NemID

Villy Rabe Bech Mousten

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Thomas Lehmann Jensen

Som Revisor NEM ID
RID: 21013017
Tidspunkt for underskrift: 09-07-2020 kl.: 13:08:09
Underskrevet med NemID

Nicolai Lindhardt

Som Dirigent NEM ID
PID: 9208-2002-2-735466592615
Tidspunkt for underskrift: 13-07-2020 kl.: 11:10:33
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